

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO A LEASE AGREEMENT WITH THE PUBLIC BUILDING AUTHORITY OF THE CITY OF NORTH LITTLE ROCK FOR PROPERTY LOCATED AT 615 WEST 29TH STREET FOR USE BY THE NORTH LITTLE ROCK POLICE DEPARTMENT; AND FOR OTHER PURPOSES.

WHEREAS, pursuant to Resolution No. 8712, adopted December 8, 2014, the City of North Little Rock ("the City") requested that the Public Building Authority of the City of North Little Rock, Arkansas ("PBA") acquire and remodel property located at 615 West 29th Street for use by the North Little Rock Police Department ("NLRPD"); and

WHEREAS, the PBA has agreed to acquire the property at 615 West 29th Street and accept ownership thereof as a project and to proceed with improvements as may be required for NLRPD operations at the location; and

WHEREAS, on or about the 6th day of February, 2015, the Building Authority approved a resolution authorizing the issuance of debt obligations in an amount not to exceed \$490,000 with annual debt service obligations not to exceed \$43,500.00 per year, subject to approval by the City; and

WHEREAS, as a prerequisite to financing, it is necessary that the City enter into a lease agreement with the PBA for the new police building acquisition and improvements, which may be assigned to secure the debt obligation; and

WHEREAS, the acquisition of the 615 West 29th Street property and improvements will greatly benefit and enhance the police and court facilities by providing space for the Detective Division of NLRPD and much-needed parking space for NLRPD and District Court employees and visitors.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That the Mayor and City Clerk are hereby authorized to enter into a lease agreement for property located at 615 West 29th Street with the PBA, said lease agreement to be substantially similar to Exhibit "A" attached hereto.

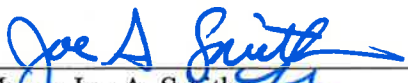
SECTION 2: That this Resolution shall be in full force and effect upon its passage and approval.

PASSED:

APPROVED:

Mayor Joe A. Smith

SPONSOR:



Mayor Joe A. Smith *JS*

ATTEST:

Diane Whitbey, City Clerk

APPROVED AS TO FORM:



C. Jason Carter, City Attorney *JC*

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/b

FILED	<u>11:08</u>	A.M.	_____	P.M.
By	<u>Deputy City Atty. Fleming</u>			
DATE	<u>2-17-15</u>			
Diane Whitbey, City Clerk, Collector and Treasurer North Little Rock, Arkansas				
RECEIVED BY	<u>J. Marshall</u>			

LEASE AGREEMENT

LESSOR: Public Building Authority of the City of North Little Rock, Arkansas

LESSEE: The City of North Little Rock, Arkansas

THIS AGREEMENT is made and entered into this _____ day of _____, 2015, between the PUBLIC BUILDING AUTHORITY OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS ("the Building Authority"), an independent quasi-governmental corporation existing by virtue of Resolution Nos. 1114, 1116, and 3015 of the City of North Little Rock, Arkansas and Act 409 of 1967, as has been amended from time to time and is presently codified at Ark. Code Ann. § 14-138-101, and THE CITY OF NORTH LITTLE ROCK, ARKANSAS ("the City"), a municipal corporation organized as a City of the First Class under the laws of the State and wholly located in Pulaski County, Arkansas.

WHEREAS, with construction of new facilities at the North Little Rock High School West Campus, the City lost a large portion of its parking facilities at the North Little Rock Police & Courts building located on Pershing Boulevard, prompting the City to investigate options which included relocation of the investigation division of the North Little Rock Police Department ("NLRPD") to a more efficient and cost-saving location and utilization of the former site for employee and visitor parking; and

WHEREAS, on December 8, 2014, the North Little Rock City Council adopted Resolution No. 8712 requesting the Building Authority to acquire and remodel property located at 615 West 29th Street ("the Property") in the City of North Little Rock for use by the NLRPD at a cost not to exceed \$490,000 and lease the same to the City;

WHEREAS, the City has found that sufficient revenues exist to fund the annual cost of financing for the acquisition of and improvements to the Property; and

WHEREAS, the Building Authority directors agreed to acquire and accept ownership of the Property as a project and to proceed with improvements as may be desired by the City; and

WHEREAS, on or about the 6th day of February, 2015, the Building Authority approved a resolution authorizing the issuance of debt obligations in an amount not to exceed \$490,000 with annual debt service obligations not to exceed \$ 43,500.00 per year, subject to approval by the City; and

WHEREAS, this Lease Agreement is entered into with the understanding by both parties that it will be relied upon by third-party financial institutions to secure financing of the acquisition of and desired improvements to the Property.

NOW, THEREFORE, for the good and valuable consideration described in this Lease Agreement, the parties hereto agree as follows:



1. Premises and Property. The Building Authority does hereby lease, demise and let to the City the property that is located at the address commonly known as 615 West 29th Street in North Little Rock, Arkansas, more particularly described as follows:

Lot 14, Block 26, Military Heights Renewal Addition to the City of North Little Rock, Pulaski County, Arkansas.

2. Use. The City shall have exclusive use and occupancy of the Property for such governmental purposes as the City's governing body may deem appropriate. The City is expressly authorized to sublease the Property for all lawful purposes.

3. Term. The term of this Lease shall be one year beginning on the latest date executed and renewing from year to year until the satisfaction of the Debt Obligation as described in paragraph 6, in accordance with Ark. Code Ann. § 14-138-111.

4. Rent. During the term of this Lease, the City shall pay to the Building Authority annual rent in an amount not more than \$_____. Payment shall be tendered in one or more payments occurring prior to December 31st of each year beginning in 2015. The City shall be authorized to pay additional payments, as funds may be available, in order to satisfy the Debt Obligations earlier.

5. Improvements. The Building Authority shall use funds obtained through the issuance of Debt Obligations to pay for the acquisition of the Property and to cause such improvements to the Property as may be directed by the City. All normal maintenance, repairs, and any improvements that exceed the funding available from the Debt Obligations shall be made at the discretion and cost of the City.

6. Debt Obligations. The Building Authority shall incur such financial obligations ("Debt Obligations") in an amount not to exceed \$490,000.00 as authorized by law, including, but not limited to, Ark. Code Ann. §14-138-101 et seq., and necessary to complete improvements required by the City. The Debt Obligations may be in any form including, without limitation, any form of bonds, mortgages, lines of credit, construction loans, and any type of financing structure that may be unsecured or secured by the Property, the proceeds from this Lease, or any other lawful means. The Building Authority shall endeavor to obtain favorable rates and terms so that the Debt Obligations will be retired as quickly as possible. This lease may be assigned to secure the Debt Obligations.

7. Utilities and Services. The City shall be responsible for all utilities and services.

8. Maintenance and Repair. The City shall be responsible for maintaining the Property in a clean, safe and sanitary condition.

9. Insurance. Throughout the term of this Lease, the City shall maintain insurance on the Property.

10. Compliance with Law. The City shall observe and comply with all rules, regulations and laws now in effect, or which may be enacted during the continuance of this

Lease by any municipal, county, state or federal authorities having jurisdiction over the facility, and indemnify the Building Authority for any damage caused by violation thereof.

11. Default. Upon the occurrence of a default as herein defined by the Building Authority which is not cured within ninety (90) days after written notice from the non-defaulting party, the non-defaulting party shall have the right to initiate termination this Lease. A default may be deemed to have occurred under any of the following circumstances: (1) non-payment of any rental moneys by the City on or before the due date; (2) non-payment of Debt Obligations by the Building Authority on or before the due date; and (3) breach of any other provisions of this lease. Litigation of this contract shall only occur after efforts of mediation have failed. Any litigation of the validity of this Lease or any terms or conditions found herein shall occur in the Circuit Court of Pulaski County, Arkansas.

12. This Lease represents all matters negotiated between the parties relating to the possession of the Property. It may only be amended by written agreement signed by both parties.

13. A copy of this Lease shall be as valid as the original. This Lease may be signed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

14. This Lease is governed by the laws of the State of Arkansas.

15. The persons affixing their signatures below warrant that they have been legally authorized by their respective organizations to do so.

LESSEE:

CITY OF NORTH LITTLE ROCK,
ARKANSAS

By: _____
Mayor Joe A. Smith

Date: _____

ATTEST:

Diane Whitbey, City Clerk

LESSOR:

PUBLIC BUILDING AUTHORITY OF THE
CITY OF NORTH LITTLE ROCK, ARKANSAS

By: _____
Todd Larson, Chairman

Date: _____